



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 08-2683

Released: December 10, 2008

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF
VANCO DIRECT USA, LLC FROM VANCO PLC
TO CAPITAL GROWTH ACQUISITION, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-229

Comments Due: December 24, 2008

Reply Comments Due: December 31, 2008

On November 19, 2008, Vanco plc (Vanco plc), Vanco Direct USA, LLC (Vanco USA), and Capital Growth Acquisition, Inc. (Capital Growth) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of Vanco USA from Vanco plc to Capital Growth.¹ Vanco USA, a Delaware limited liability company, is a virtual network operator company holding authority to provide competitive telecommunications services in 32 states. Vanco USA is wholly owned by Vanco plc, a holding company incorporated under the laws of England and Wales. Vanco plc is currently in administration in the United Kingdom.² Applicants state that Edward Allen Timpany (Timpany), a citizen of the United Kingdom, along with various trusts controlled by Timpany, currently holds a majority of the shares of Vanco plc, and that no other individual or entity owns ten percent or more of such entity's shares.³

Capital Growth, a Delaware corporation, was formed to enter into the proposed acquisition and has no other current business or operations. Capital Growth is wholly owned by Capital Growth Systems, Inc., a publicly traded Florida corporation. Applicants state that David J. Lies, a U.S. citizen, is the only shareholder holding a 10 percent or greater interest in Capital Growth Systems, Inc. Capital Growth Systems, Inc., doing business through Global Capacity Group, Inc., a Texas corporation, is authorized to

¹ 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing an application for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed supplements to their domestic application on November 26, 2008 and December 4, 2008.

² "Administration" is the United Kingdom equivalent of an insolvency proceeding, similar to a bankruptcy filing in the United States. Applicants state that the administrator of Vanco plc has approved Capital Growth's acquisition of Vanco USA.

³ On November 19, 2008, the Wireline Competition Bureau granted the Applicants' request for Special Temporary Authority for a period of 60 days due to Vanco USA's financial insolvency. Letter from John T. Nakahata, Counsel for Capital Growth Acquisition, Inc., and Jean L. Kiddoo, Counsel for Vanco plc and Vanco Direct USA, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 08-229 (filed Nov. 14, 2008)

provide resold and/or competitive facilities-based local exchange and/or interexchange service in 32 states. Pursuant to an Interest and Loan Purchase Agreement, Capital Growth has agreed, subject to applicable closing conditions, to acquire all the limited liability company interests of Vanco USA from Vanco plc and also to acquire all loans to Vanco USA from Vanco plc. Capital Growth will become the new corporate parent of Vanco USA. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Application Filed for the Transfer of Control of Vanco Direct USA, LLC from Vanco plc to Capital Growth Acquisition, Inc., WC Docket No. 08-229 (filed Nov. 19, 2008).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before December 24, 2008**, and reply comments **on or before December 31, 2008**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁵ Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's eRulemaking Portal. See 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal eRulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

In addition, email one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: 202 / 488-5300; fax: 202 / 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;

⁴ 47 C.F.R. § 63.03(b)(2)(i).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 4) David Krech, International Bureau, Policy Division, International Bureau, david.krech@fcc.gov;
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: 202 / 488-5300; fax: 202 / 488-5563; email: fcc@bcpiweb.com; url: www.bcpiweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202 / 418-0530 (voice), 202 / 418-0432 (tty).

For further information, please contact Tracey Wilson-Parker at 202 / 418-1394 or Dennis Johnson at 202 / 418-0809.

- FCC -